

FARMERSVILLE SCHOOL ISSUES

BACKGROUND:

The Tulare County Grand Jury is tasked with oversight of public agencies, including schools. This oversight includes monitoring compliance with laws such as California's Ralph M. Brown Act, Government Code section §54950 et. seq. (Brown Act), which requires meetings and actions of governing bodies of local government agencies and subsidiary bodies created to be open and public. It was intended that the Brown Act implement a strong public policy. This policy ensures the public's right to attend and participate in the meetings of local governmental agencies.

In addition to compliance with laws, the Grand Jury monitors the efficiency and appropriate management of public entities which include the manner in which they respond to their client base and fiscal decisions enacted by elected bodies.

Each school district is governed by an elected Board of Trustees (Board). The Board for each district contracts with a superintendent to execute all Board policies and to manage the academic and administrative staffs. The superintendent interviews potential employees and presents recommendations for hiring to the Board. Each superintendent periodically evaluates employees of the district and serves as the district's representative to all collective bargaining matters. The district superintendent typically acts as Secretary of the Board and represents the district to the community and various agencies. School superintendents are evaluated periodically by the district's Board.

The Farmersville School District (District) has six (6) schools, utilizing 119 certified and 89 classified personnel serving a 2,578 student population in Grades K-12. The revenue limit per Average Daily Attendance (ADA) is approximately \$6,000 per year for each student. The District board meetings are conducted the second and fourth Tuesday of each month.

REASON FOR INVESTIGATION:

The 2015-2016 Tulare County Grand Jury received a complaint from a citizen alleging excessive and/or improper spending on the part of the Farmersville Unified School District Board, as well as illegal hiring and inappropriate conduct during board meetings. The complainant further alleged that the bond oversight committee had not been conducting meetings.

METHOD OF INVESTIGATION:

The Grand Jury attended District Board meetings and interviewed witnesses. Requested District documents were also reviewed. This report is not intended to represent an in-depth analysis of the school district but a review of the manner in which the board is functioning.

FACTS:

1. Numerous credit cards were issued to employees and Board Members of the District.
2. The previous superintendent recalled a majority of the credit cards.
3. District policy for mode of travel states, "The most expedient and cost effective manner of traveling should be used."
4. District policy for food purchased must be outside of the 50 mile radius of the District.
5. The current Superintendent has been placed on paid administrative leave pending investigation. A previous Superintendent has been hired as an interim consultant/Superintendent.
6. A longstanding board member resigned during their term.
7. A staff development meeting was held off site.
8. The Bond/Citizen's Oversight Committee meets to oversee the expenditures of the \$4.8 Million General Obligation bond.

FINDINGS:

- F1. The number of credit cards has been significantly reduced.
- F2. Credit cards have been used without an approved purchase order.
- F3. Staff and board conferences were frequent and expensive. Their preferred method of travel included numerous commercial airline flights.
- F4. Contrary to established policy, food was purchased for local meetings.
- F5. Two Superintendents are being paid at the same time.
- F6. A resigned board member had not been replaced at time of this report.
- F7. An off-site staff development meeting cost in excess of \$4,000.

F8. The Bond/Citizen's Oversight Committee meets approximately every other month.

RECOMMENDATIONS:

R1. That the District follow the Tulare County Office of Education purchase order process.

R2. District Policies regarding travel expenses should be followed.

R3. Teleconferences and/or webinars should be utilized whenever available.

REQUIRED RESPONSES:

1. Farmersville Unified School District

2. Tulare County Office of Education

Disclaimer

Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Grand Jury is precluded by law from disclosing such evidence except upon specific approval of the Presiding Judge of the Superior Court, or another judge appointed by the Presiding Judge (Penal Code Section 911, 924.1 (a) and 929). Similarly, the Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Section 924.2 and 929).

Tulare County Office of Education

Committed to Students, Support and Service

Jim Vidak
*County
Superintendent
of Schools*

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Visalia, California
93278-5091

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(559) 733-6301
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Business Services
(559) 733-6474
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Human Resources
(559) 733-6306
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Instructional Services
(559) 733-6328
fax (559) 739-0310

Special Services
(559) 730-2910
fax (559) 730-2511

Main Locations

**Administration
Building & Conference
Center**
6200 S. Mooney Blvd.
Visalia

Doe Avenue Complex
7000 Doe Ave.
Visalia

**Liberty Center/
Planetarium &
Science Center**
35 Ave. 264
Visalia

June 21, 2016

The Honorable Judge Bret Hillman
County Civic Center, Room 303
221 South Mooney Boulevard
Visalia CA 93291

Tulare County Board of Supervisors
2800 W. Burrel Avenue
Visalia CA 93291

Tulare County Grand Jury
5963 South Mooney Boulevard
Visalia CA 93277

RESPONSES TO 2016 TULARE COUNTY GRAND JURY REPORTS

Enclosed is the following:

1. Farmersville School Issues

We extend our gratitude to the Tulare County Grand Jury for their diligent efforts in compiling these reports. Our responses to your recommendations include information gained through extensive research.

If I can be of further assistance, please feel free to contact me.

Sincerely,



Jim Vidak
Tulare County Superintendent of Schools

JV:mm

Enclosure

RECEIVED
7-11-2016

June 21, 2016

The Honorable Judge Hillman
County Civic Center, Room 303
221 S. Mooney Boulevard
Visalia CA 93291

Tulare County Grand Jury
5963 S. Mooney Boulevard
Visalia CA 93277

Tulare County Board of Supervisors
2800 W. Burrel Ave
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Subject: Written Response of the **Tulare County Office of Education** pursuant to
California Penal Code § 933(c)
Report Name: **Farmersville School Issues**

FINDINGS

F1. The number of credit cards has been significantly reduced.

Response: The Tulare County Office of Education and County Superintendent of Schools don't have sufficient information to agree or disagree with this finding.

F2. Credit cards have been used without an approved purchase order.

Response: The Tulare County Office of Education and County Superintendent of Schools agree with the finding. Purchase orders are not typically used in conjunction with credit card payments since the card payments are made to multiple vendors and budget accounts. Purchase orders are used for expenditure approval and encumbering purposes. In addition, the authorization to use credit cards is preferably limited to specific users and for certain types of purchases.

F3. Staff and board conferences were frequent and expensive. Their preferred method of travel included numerous commercial airline flights.

Response: The Tulare County Office of Education and County Superintendent of Schools does not have sufficient information to agree or disagree with this finding as there is no required coding in the California State Account Code Structure to specifically identify air travel for tracking. The Tulare County Office of Education audits district expenditures for legality, including proper authorization and sufficient board approved appropriations. The choice of methods necessary to meet a district's operational needs is established under the authority of the district governing board.

F4. Contrary to established policy, food was purchased for local meetings.

Response: The Tulare County Office of Education and County Superintendent of Schools respectfully disagree with this finding as our reading of the district AR 4133(a) limitation on meals within a 50 mile radius of the district applies to travel expenses only. District board policy BB 9250(a) specifically authorizes meal expenses for meetings deemed by the board to benefit the district and thus serve a public purpose. That policy lists several examples of meetings authorized for meal reimbursements that are routinely held within district boundaries.

F5. Two Superintendents are being paid at the same time.

Response: The Tulare County Office of Education and County Superintendent of Schools agree with this finding. Since January 2016 Ofelia Ceja Lariviere and Janet R. Jones have been paid for the position of Superintendent. Janet R. Jones has been paid on a daily rate as needed.

F6. A resigned board member had not been replaced at time of this report.

Response: The Tulare County Office of Education and County Superintendent of Schools agree with this finding. However, the district did notify the Tulare County Office of Education and County Superintendent of Schools of the board member John Vazquez' resignation on January 22, 2016. Additionally, his vacancy is now filled, a provisional appointment was made on March 15, 2016 in accordance with Education Code Section 5092.

F7. An off-site staff development meeting cost in excess of \$4,000.

Response: The Tulare County Office of Education and County Superintendent of Schools does not have sufficient information to agree or disagree with this finding as there is no required coding in the California State Account Code Structure to specifically identify staff development costs for tracking. The Tulare County Office of Education audits district expenditures for legality, including proper authorization and sufficient board approved appropriations. The choice of methods necessary to meet a district's operational needs is established under the authority of the district governing board.

F8. The Bond/Citizen's Oversight Committee meets approximately every other month.

Response: The Tulare County Office of Education and County Superintendent of Schools agree with this finding.

RECOMMENDATIONS

R1. That the District follow the Tulare County Office of Education purchase order process.

Response: The Tulare County Office of Education, County Superintendent of Schools respectively disagree with this recommendation. Best practice for expenditures involves advance approval of expenditures and encumbrance of expenditures whenever practical. The District is currently using purchase orders for both advance authorization with encumbrance and after the fact reimbursement authorizations without prior encumbrance. District size and volume of expenditures will influence the specific authorization procedures best suited for the district.

R2. District Policies regarding travel expenses should be followed.

Response: The Tulare County Office of Education and County Superintendent of Schools agree with this finding and further suggest the District revise its' travel policy to clarify the non-applicability of the 50 mile radius restriction to working meetings described in board policy BB9250(a).

R3. Teleconferences and/or webinars should be utilized whenever available.

Response: The Tulare County Office of Education, County Superintendent of Schools agrees with this finding.

We will make note of all the recommendations suggested and will be sure we share these recommended improvements. Once again, we extend our gratitude to the Tulare County Grand Jury for their diligent efforts in compiling these findings and recommendations.



July 18, 2016

Tulare County Grand Jury
5963 S. Mooney Blvd.
Visalia, CA 93291

Dear Grand Jury:

Included with this letter is the Response to the Tulare Grand Jury Report: Farmersville School Issues released May 17, 2016.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Randy DeGraw', is placed below the word 'Sincerely,'.

Randy DeGraw
Interim Superintendent



Farmersville School Issues

Response to findings of the Tulare County Grand Jury Release Report May 17, 2016:

1. **Fact:** Numerous credit cards were issued to employees and Board Members of the District.
Finding: The number of credit cards has been significantly reduced.
Response: Agree. In the 14-15 school year, the following positions were issued District credit cards: (6) Site Principals, (4) Board Members, Superintendent, Director of Curriculum, MOT Director, Transportation Supervisor, Office Manager, Director of Technology, Ag Teachers, and Cooking Class teacher, and MOT worker. In the 15-16 school year the following positions were issued District credit cards: Superintendent; Chief Academic Officer; (6) Principals; (3) Board Members; and, Office Manager.
2. **Fact:** The previous superintendent recalled a majority of the credit cards.
Finding: Credit cards have been issued without an approved purchase order.
Response: Agree. Credit cards have been used without prior approved purchase order. Effective immediately, protocol will be put in place to follow TCOE purchase order process.
Card use will be suspended if protocol is not followed.
3. **Fact:** District policy for mode of travel states, "The most expedient and cost effective manner of traveling should be used."
Finding: Staff and board conferences were frequent and expensive. Their preferred method of travel included numerous commercial airline flights.
Response: Agree. Prior to 12-13 school year, infrequent airline flights were booked; mode of transportation was generally automobile. During subsequent school years, commercial airline flights were booked with more frequency. Effective July 1, 2016, based on the number of participants traveling, the District will determine the most expedient and/or cost effective mode of travel.
4. **Fact:** District policy for food purchased must be outside of the 50 mile radius of the District.
Finding: Contrary to established policy, food was purchased for local meetings.
Response: Agree. As per BB9250.1, adopted April 26, 2016, meal expenses for district meetings require prior board authorization.

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7/26/2016



5. **Fact:** The current superintendent has been placed on paid administrative leave, pending investigation. A previous superintendent has been hired as acting superintendent.

Finding: Two superintendents are being paid at the same time.

Response: Agree. The previous (retired) superintendent had twenty five years of experience with the District and worked for 61 days (through May 13, 2016) since there was not an assistant superintendent. The District office has two other certificated administrative employees, of which both positions were new to the District, effective July 2015. The District superintendent was terminated effective May 13, 2016 at which time the Director of Personnel took over those duties, having been trained by the previous (retired) superintendent.

6. **Fact:** A longstanding board member resigned during his term.

Finding: A resigned board member had not been replaced at the time of this report.

Response: Disagree. A provisional appointment was made on March 15, 2016 pursuant to EC5091.

7. **Fact:** A staff development meeting was held off site.

Findings: An off-site staff development meeting cost in excess of \$4,000.

Response: Agree. After school had ended in June of 2015, teachers were invited to participate in one day staff development training held at the Holiday Inn in Visalia. Teachers were paid \$40.00 per hour to attend the one day training. Teachers were provided with laptop devices for technological application in the classroom. Additionally, teachers were paid at the contractual rate up to 30 hours to access approved professional development training during the summer months. Professional development monies were used for this purpose.

8. **Fact:** The Bond/Citizen's Oversight Committee meets to oversee the expenditures of the \$4.8 million dollar General Obligation Bond.

Findings: The Bond/Citizen's Oversight Committee meets approximately every other month.

Response: Agree. The District was authorized to sell up to \$4.8 million GO bonds. At this point, the District has only received approximately \$3.1 million. The Bond Oversight Committee met on the following dates: 9/9/15, 10/8/15, 12/10/15, 4/21/16 and 5/12/16. A presentation to the Board was made on May 24, 2016. As per Article 6.1 of the bylaws, the committee is required to meet at least once a year, including an annual organizational meeting.